

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----- 129281

P R 161334Z JAN 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 5687

INFO USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

AMEMBASSY LONDON

AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 01 OF 03 BONN 00782

STADIS////////////////////////////////

EXDIS

DEPT FOR ASST. SECTY. KRATZER, OES

E.O. 11652: XGDS-L

TAGS: TECH, PARM, OREP, GW (MURPHY, GEORGE F.)

SUBJECT: STAFFDEL MURPHY -- GERMAN VIEWS ON NON-
PROLIFERATION AND RELATED TOPICS

REF: A. BONN 409; B. STATE 49L5; C. STATE 4806;
D. STATE 4572

1. SUMMARY: MURPHY MET WITH HERMES (FRG FOREIGN
OFFICE), HAUNSCHILD (FRG TECHNOLOGY MINISTRY, BMFT)
AND SENIOR OFFICIALS ON THEIR STAFFS TO EXPLORE GERMAN
VIEWS ON NON-PROLIFERATION; SAFEGUARDS; MULTI-
NATIONAL, REGIONAL NUCLEAR CENTERS, ENRICHED URANIUM
SUPPLY AND SIMILAR TOPICS. GERMANS RESPONDED FRANKLY,
PORTRAYING THEMSELVES AS STRONG CHAMPIONS OF EFFECTIVE
NON-PROLIFERATION CONTROL MEASURES (COMPARE ECBRUSSELS
321 AND IAEA VIENNA 49 FOR SOMEWHAT CONFLICTING VIEWS
ON THIS POINT.)

FOLLOWING REPORT ABOUT HIGHLIGHTS OF GERMAN
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COMMENTS WAS NOT CLEARED WITH MURPHY PRIOR TO HIS

DEPARTURE. EMBASSY REQUESTS ADDRESSEES TO HONOR
"STADIS" DISTRIBUTION LIMITATION TO AVOID POSSIBLE
EMBARRASSMENT VIS A VIS MURPHY REPORT TO JCAE. END
SUMMARY.

2. SOVIET URANIUM ENRICHMENT SERVICES FOR FRG:

MAY BE DIVIDED INTO THREE CATEGORIES:

A. BULK PURCHASE: 1200 - 1500 TONNES SWU FOR
DELIVERY 1977-81.

B. FIRST CORES FOR SEVEN GERMAN NUCLEAR POWER
PLANTS: AT ABOUT 300 TONNES SWU PER CORE, TOTALS 2100
TONNES SWU FOR DELIVERY 1976-80.

C. APPROXIMATELY 30 RELOADS: AT ABOUT 100
TONNES SWU PER RELOAD, TOTALS 3000 TONNES SWU FOR
DELIVERY 1980-95.

TOTAL SOVIET URANIUM ENRICHMENT SERVICES: APPROXIMATE-
LY 6600 TONNES SWU. SCHMIDT-KUESTER (BMFT) SAID
FRG WOULD HAVE PURCHASED THIS FROM US IF SERVICES HAD
BEEN AVAILABLE AND IF US HAD NOT REQUIRED LONGTERM
COMMITMENTS. FRG HAD WISHED TO RESERVE RELOAD CON-
TRACTS FOR URENCO.

3. MULTI-NATIONAL, REGIONAL NUCLEAR FUEL FACILITIES:

BOTH FONOFF AND BMFT OFFICIALS ENDORSED THIS
CONCEPT IN THEORY BUT SAW GREAT DIFFICULTIES IN ITS
IMPLEMENTATION. CHIEF PROBLEM WAS SITE. SUCH FACILI-
TIES COULD NOT BE LIMITED ONLY TO US EVEN IF US WERE
WILLING TO ACCEPT THEM. FRG WOULD FACE PUBLIC PROTESTS
AND ENDANGER ITS ESSENTIAL NUCLEAR ENERGY PROGRAM IF IT
AGREED TO BECOME "DUST BIN" FOR THE WORLD. THE
"PROBLEM" COUNTRIES COULD NOT AGREE ON A SITE IN THEIR
RESPECTIVE REGIONS. REGIONAL FACILITIES WOULD NOT
NECESSARILY BE "SAFER" THAN EFFECTIVELY SAFEGUARDED
NATIONAL FACILITIES. KEY QUESTIONS WERE: WHERE?, HOW
ORGANIZED? WHO FINANCES? ANSWERS WERE URGENTLY RE-
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QUIRED AND THIS CONCEPT MUST BE DEFINED IN REALISTIC
TERMS ACCEPTABLE TO DEVELOPING NATIONS. THERE WERE
OTHER TECHNOLOGICAL AND ECONOMIC DIFFICULTIES AS WELL.
FRG OFFICIALS APPEARED VERY DOUBTFUL THAT CONCEPT COULD
BE DEVELOPED SUCCESSFULLY ALTHOUGH THEY HAD ENDORSED
IT IN UN AND SUPPORTED THE IAEA STUDY.

4. "SUPPLIER INVOLVEMENT"

BOTH FONOFF AND BMFT OFFICIALS ADVANCED THIS

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P R 161334Z JAN 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 5688

INFO USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

AMEMBASSY LONDON

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CONCEPT AS POSSIBLE ALTERNATIVE TO MULTI-NATIONAL, REGIONAL NUCLEAR FUEL CENTERS. WHEN QUESTIONED ABOUT THEIR UNDERSTANDING OF THIS ALTERNATE CONCEPT, FRG REPS BELIEVED THAT REPRESENTATIVES OF THE SUPPLIER NATION COMPANY CONSTRUCTING THE FACILITY MIGHT OCCUPY KEY POSITIONS IN THE MANAGEMENT STRUCTURE. THIS CONCEPT, TOO, HAD PROBLEMS. GERMAN FIRMS MUST SEE A POSSIBLE PROFIT AND BE WILLING TO FINANCE THEIR PARTICIPATION IN A JOINT ENDEAVOR WITH THE RECIPIENT NATION. OTHERWISE THE SUPPLIER NATION MUST DEVELOP A MECHANISM TO PROVIDE A PUBLIC SUBSIDY TO INSURE "SUPPLIER INVOLVEMENT".

5. SAFEGUARDS IN GENERAL

INTERNATIONAL STAFF INCREASES THE CREDIBILITY OF THE EURATOM AND IAEA SAFEGUARDS SYSTEMS TO OFFER ASSURANCES, EVEN TO GERMAN CITIZENS CONCERNED ABOUT POSSIBLE DEVELOPMENT OF NUCLEAR WEAPONS BY THEIR OWN GOVERNMENT. GERMANY SHARED US ASSUMPTION THAT SAFE-

GUARDS COULD BE EFFECTIVE BUT ANTICIPATED THAT NO SYSTEM COULD OFFER 100 PERCENT ASSURANCE. THE EURATOM SYSTEM APPLIED TO THE FRG WOULD BE VERIFIED BY IAEA INSPECTORS WHO WOULD ALSO HAVE THE RIGHT OF INDIVIDU-
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AL ACCESS TO FACILITIES. IT WOULD NOT BE POSSIBLE TO TIGHTEN SAFEGUARDS BEYOND THE POINT ACCEPT-
ABLE TO THE DEVELOPING COUNTRIES WHICH WERE INCREASING THEIR PRESSURE FOR ACCESS TO NUCLEAR ENERGY.

6. SAFEGUARDS FOR BRAZIL:

HERMES EMPHASIZED THAT THE FRG HAD CONSULTED AND HAD TAKEN ALL THE PRECAUTIONS HUMANLY POSSIBLE TO PROVIDE FOR EFFECTIVE CONTROLS. HE BELIEVED THAT THE PRESS HAD BEEN UNFAIR IN REPORTING THE GERMAN POSITION. INDUSTRIAL ("PRIVATE") CONTRACTS WERE SIGNED ON DECEMBER 18 BUT HARDWARE WOULD NOT BE DELIVERED UNTIL THE TRILATERAL SAFEGUARDS AGREEMENT WAS SIGNED. BOTH FONOFF AND BMFT OFFICIALS SEEMED RELUCTANT TO SPECULATE ABOUT THE SCHEDULE FOR CONSTRUCTION OF GERMAN NUCLEAR FACILITIES IN BRAZIL. THE SAFEGUARDS TO BE APPLIED TO BRAZIL BY THE IAEA WOULD BE "BROADER" BUT NOT NECESSARILY "DEEPER" THAN FOR OTHER NATIONS. THE REQUIREMENT FOR SAFEGUARDS ON TECHNOLOGY WAS ONE SIGNIFICANT DIFFERENCE.

7. NUCLEAR SALES TO EGYPT:

EGYPT HAS EXPRESSED INTEREST IN GERMAN NUCLEAR FACILITIES BUT FRG PLANS ASK THEM TO WAIT UNTIL EGYPTIAN NEGOTIATIONS WITH THE US HAVE BEEN COMPLETED. AFTER BEING BRIEFED ON STATUS US-GOE DISCUSSIONS HERMES ASKED WHETHER A DELAY IN REACHING A SIMILAR AGREEMENT WITH ISRAEL WOULD DELAY US NUCLEAR COOPERATION WITH EGYPT. HE NOTED THAT CONGRESSIONAL APPROVAL WOULD BE NEEDED BUT SUGGESTED (HOPED?) THAT US NEGOTIATIONS WITH EGYPT MIGHT BE COMPLETED IN SIX MONTHS.

8. NUCLEAR SALES TO IRAN:

HAUNSCHILD AND SCHMIDT-KUESTER USED THESE NEGOTIATIONS TO ILLUSTRATE A CASE WHERE NEITHER THE MULTINATIONAL, REGIONAL NUCLEAR CENTER CONCEPT NOR THE WITHDRAWAL OF IRRADIATED REACTOR FUEL FOR REPROCESSING ELSEWHERE SEEMED TO BE ACCEPTABLE SOLUTIONS TO
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THE SAFEGUARDS PROBLEM. IRAN PLANNED TO DEVELOP 10000 EMW IN RELATIVELY SHORT PERIOD. IT WOULD BE EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, FROM ECONOMIC AND TECHNOLOGICAL VIEWPOINT FOR ANY NATION TO ASSUME RESPONSIBILITY FOR TRANSPORTATION OF THESE RADIOACTIVE MATERIALS. IRAN HAD ALREADY CLAIMED THAT THE NUCLEAR SUPPLIERS' WERE ACTING AS A RESTRICTIVE CARTEL. HAUNSCHILD HOPED THAT THE ACCEPTANCE OF THE GUIDELINES WOULD MAKE IT CLEAR TO IRAN THAT NO NATION WOULD OFFER A NATIONAL REPROCESSING PLANT. THIS WOULD FORCE IRAN TO THINK IN TERMS OF "SUPPLIER INVOLVEMENT." HOWEVER, HAUNSCHILD DID NOT BELIEVE THAT IRAN PRESENTED A DANGER AT THE PRESENT TIME. THEY SIMPLY WANTED TO KEEP THESE OPTIONS OPEN.

9. MANAGEMENT OF RADIOACTIVE WASTE:

FRG BELIEVES THAT HIGH LEVEL WASTES MAY BE STORED

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INFO OCT-01 ISO-00 SSO-00 /026 W
----- 129376

P R 161334Z JAN 76
FM AMEMBASSY BONN
TO SECSTATE WASHDC PRIORITY 5689
INFO USMISSION EC BRUSSELS
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STORED IN SALT DOMES. THEY ARE DEVELOPING THIS TECH-

NOLOGY BUT BELIEVE IT NEED NOT BE USED FOR PERMANENT STORAGE UNTIL 1990-2000.

10. NEW US ENRICHMENT CAPACITY:

IN RESPONSE TO A QUESTION, SCHMIDT-KUESTER FAVORED CONSTRUCTION OF PRIVATE US URANIUM ENRICHMENT PLANT. HE BELIEVED PRIVATE PRICING AND CONTRACTING POLICIES WOULD BE MORE "TRANSPARENT." EMBASSY NOTE: IT WAS ALSO CLEAR THAT HE BELIEVED THE PRICE OF THE PRIVATE URANIUM ENRICHMENT SERVICES WOULD BE HIGHER, THUS EASING THE COMPETITIVE PRESSURE ON URENCO.

11. EMBASSY COMMENT: ALTHOUGH MURPHY'S DISCUSSIONS WITH SENIOR FRG OFFICIALS PRODUCED NO NEW DATA, FOREGOING RESTATEMENT OF GERMAN ATTITUDES IS INTERESTING. AS WE HAVE OFTEN REPORTED, THE FRG STRONGLY DESIRES EFFECTIVE CONSULTATIONS WITH THE USG ABOUT SAFEGUARDS TOPICS. THEY VIEW THEMSELVES AS SENSITIVE TO THE NON-PROLIFERATION PROBLEM AND EFFECTIVE IN APPLYING THE MOST RIGOROUS CONTROLS THAT ARE POLITICALLY, ECONOMICALLY AND TECHNICALLY FEASIBLE. FRG DOES, OF COURSE, DEVOTE SIGNIFICANT RESEARCH AND CONFIDENTIAL

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DEVELOPMENT EFFORT TO DEVELOPMENT OF SAFEGUARDS TECHNIQUES THAT MINIMIZE INTRUSION AND PROTECT COMMERCIAL SECRECY. THIS PROGRAM AND PHILOSOPHY LIES BEHIND THE IMPLIED CRITICISM IN EC BRUSSELS 321 AND IAEA VIENNA 49. WE URGE CONTINUED CLOSE US-FRG CONTACT IN THIS AREA.
HILLENBRAND

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NPT, URANIUM, MEETINGS, NUCLEAR COOPERATION PROGRAMS, FOREIGN POLICY POSITION, NUCLEAR SAFEGUARDS, NUCLEAR FUELS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JAN 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BONN00782
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: D760017-0172
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760151/aaaabtdg.tel
Line Count: 313
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS, EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS, EXDIS
Reference: 76 BONN 409, 76 STATE 4806
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 27 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 OCT 2003 by GarlanWA>; APPROVED <03 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STAFFDEL MURPHY -- GERMAN VIEWS ON NON- PROLIFERATION AND RELATED TOPICS
TAGS: TECH, PARM, OREP, GE, (MURPHY, GEORGE F)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006